

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-03 COME-00 DODE-00 FEAE-00 FPC-01 H-03

INR-11 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04

USIA-15 PRS-01 DRC-01 AF-10 ARA-16 NEA-14 /228 W

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R 161403Z SEP 74

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 2898

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

C O N F I D E N T I A L STOCKHOLM 4091

E.O. 11652: GDS

TAGS: ENRG, SW

SUBJECT: INTEGRATED ENERGY PROGRAM (IEP); SWEDISH POSITION

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B. STATE 200309

C. STATE 198061

1. SUMMARY. FOLLOWING PARAGRAPHS SUMMARIZE EMBASSY CONVERSATIONS WITH MFA OFFICIAL (HANS EWERLOF) SEPTEMBER 13 ON SWEDISH POSITION ON IEP. DISCUSSIONS COVERED EWERLOF TALKS WITH DAVIGNON, WHICH CONFIRMED POINTS CONTAINED IN REFTEL (B), AND STATE OF PLAY OF GOS CONSIDERATION OF WHETHER TO JOIN IEP. END SUMMARY.

2. EWERLOF APPOINTMENT WAS ARRANGED AT OUR INITIATIVE. IN RESPONSE TO HIS QUESTIONS ON HOW WE LOOKED AT PROSPECTS FOR SUCCESSFUL IEP, TIMING, AND PROBLEMS TO BE RESOLVED, ECON/COMM COUNSELOR RESPONDED: (A) WE ATTACH GREAT IMPORTANCE TO ECG EFFORT TO SUCCESSFULLY CONSTRUCT A FRAMEWORK OF CONSUMER COOPERATION WHICH WILL TEND TO DETER INTERRUPTION OF FLOW OF OIL SUPPLIES AND ENHANCE ABILITY TO COPE WITH INTERRUPTIONS, IF THEY OCCUR; (B) WE WOULD HOPE TO AVOID PROBLEM FACED LAST WINTER; (C) ON TIMING, WE WOULD LIKE TO SEE IEP IN PLACE AS SOON AS POSSIBLE; AND (DC) ON PROBLEMS TO BE RESOLVED, WE MUST YET DETERMINE MEMBERSHIP IN IEP AND, IN THIS CONNECTION, WE NOTED THAT NORWAY AND CANADA AS NET EXPORTERS OF OIL HAD DOMESTIC POLITICAL DIFFICULTIES, AND THAT THE ECG MEETING ON SEPTEMBER 19-20 WILL BE IMPORTANT IN DETERMINING WHAT PROGRESS WE WILL BE ABLE TO MAKE.

3. EWERLOF SUMMARIZED HIS TALKS WITH DAVIGNON ON SEPTEMBER 4 WHICH CONFIRMED POINTS CONTAINED IN REFTEL (B). HE SAID THAT, SINCE SWEDEN IS HEAVILY DEPENDENT ON OIL IMPORTS, IT IS ESSENTIAL FOR HER, IN THE EVENT OF AN EMERGENCY, TO BE INCLUDED IN ANY OIL SHARING PROGRAM. AT SAME TIME, SWEDN'S POSITION OF NEUTRALITY IN FOREIGN AFFAIRS MUST BE CONSIDERED SERIOUSLY; HE THOUGHT DAVIGNON UNDERSTOOD THIS FULLY. IN EVENT OF AN ARMED CONFLICT TAKING PLACE -- AND HE THOUGHT THIS POSSIBILITY COULD NOT BE DISMISSED -- SWEDISH COMMITMENTS IN IEP WOULD BECOME CRUCIAL. SWEDEN THEREFORE MUST CONSIDER MATTER CAREFULLY BEFORE AGREEING TO JOIN; THE NATURE OF PARTICIPATION IN IEP, I.E. WHAT COUNTRIES

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JOIN, WOULD ALSO BE AN IMPORTANT CONSIDERATION. SWEDEN WOULD WANT TO KNOW WHAT OTHER NEUTRALS (SWITZERLAND AND AUSTRIA) DECIDE AND, OF COURSE, THE POSITION AND DECISION OF FRANCE AND NORWAY. ELABORATING, EWERLOF ALSO FELT IEP AGREEMENT SHOULD HAVE A CLEAR STATEMENT THAT CONSUMING COUNTRIES DESIRE TO DISCUSS (NEGOTIATE) WITH OIL PRODUCING COUNTRIES, THUS AVOID GIVING IMPRESSION IEP DIRECTED AGAINST PRODUCERS. FURTHER, HE REITERATED DESIRABILITY OF

IEP BEING PLACED UNDER OECD. WHEN QUESTIONED, HOWEVER, HE ALLOWED THAT THIS NEED NOT BE CONSIDERED A "MUST" BUT INDICATED BELIEF THAT THIS APPEARED MOST LIKELY TO BE THE "UMBRELLA" FOR THE PROGRAM. EWERLOF ALSO THOUGHT THAT THE ROLE OF OIL COMPANIES MUST BE LOOKED AT BECAUSE THEY ARE AN ESSENTIAL PART OF IEP, THOUGH HE RECOGNIZED THAT POLICY DECISIONS MUST BE TAKEN FIRST BY GOVERNMENTS.

3. ON STATE OF PLAY IN GOS, EWERLOF SAID IEP QUESTIONS HAVE NOT BEEN FULLY CONSIDERED AS YET. EVEN TECHNICAL ASPECTS OF IEP ARE NOW UNDER STUDY AND A REPORT WON'T BE READY FOR ANOTHER WEEK. PERSONALLY, HE THOUGHT THERE WOULD BE NO PROBLEM. ON POLITICAL ASPECTS, DISCUSSIONS WILL BE HELD BUT NO RPT NO FINAL POSITION ON IEP WILL BE FORTHCOMING UNTIL SOMETIME AFTER THE ECG MEETING ON SEPTEMBER 19-20, BECAUSE CLARIFICATION ON A NUMBER OF QUESTIONS IS REQUIRED. HE THOUGHT IT POSSIBLE THAT GOS WILL SEEK FURTHER MEETINGS WITH DAVIGNON.

4. ECON/COMMERCIAL COUNSELOR ASKED IF EWERLOF MIGHT HAVE QUESTIONS ON IEP WHICH HIS GOVERNMENT WOULD LIKE TO ADDRESS TO USG. EWERLOF RESPONDED NEGATIVELY AND SAID HE HOPED EMBASSY COULD KEEP HIM INFORMED ON ANY DEVELOPMENTS AFTER ECG MEETING. COUNSELOR THEN ASKED IF A FAIR STATEMENT OF GOS POSITION MIGHT BE DESCRIBED AS FOLLOWS: "GOS AGREES IN PRINCIPLE WITH IEP OBJECTIVES AND WOULD LIKE TO PARTICIPATE, ON THE CONDITION THAT A SATISFACTORY SOLUTION IS FOUND TO THEIR POLITICAL CONCERNS". EWERLOF SAID HE THOUGHT THIS A FAIR SUMMATION.
STRAUSZ-HUPE

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